

FEB 09 '11 -5 09 PM

SURFACE TRANSPORTATION BOARD

Mitsui Rail Capital, LLC
71 South Wacker Drive
Suite 1800
Chicago, Illinois 60606

Main (312) 803-8880
Fax (312) 803-8890



February 9, 2011

Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 "E" Street, S.W.
Washington, D.C. 20423

Dear Section Chief:

Please find attached one (1) copy of a Memorandum of Lease Agreement dated December 1, 2010 between the following parties:

Lessor: Mitsui Rail Capital, LLC
71 S. Wacker Drive, Suite 1800
Chicago, IL 60606

Lessee: Tennessee Valley Authority
1101 Market Street
Chattanooga, TN 37402

A description of the railroad equipment covered by the enclosed document is:

80 railcars within the series MBKX 4010 - MBKX 4236 and MBKX 452136 - MBKX 452396 as more specifically set forth in the exhibit attached to the document.

This filing is to appear in the index as follows: Memorandum of Lease Agreement.

Please file this as a primary document as defined in the Board's Rules for the Recordation of Documents. The filing fee in the amount of \$41.00 can be charged to our account.

Should you have any questions or need further information, please do not hesitate to contact me at (312) 803-8836.

Sincerely,

/S/ Christine Peterson

Christine Peterson
Contract Administrator/Paralegal

Enclosure

FILED 29640

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SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF LEASE AGREEMENT
BETWEEN
MITSUI RAIL CAPITAL, LLC
("LESSOR")**

AND

**TENNESSEE VALLEY AUTHORITY
("LESSEE")**

DECEMBER 1, 2010

This Memorandum of Lease Agreement is made and entered into as of December 1, 2010 by and between Mitsui Rail Capital, LLC, a Delaware limited liability company, ("**Lessor**") and Tennessee Valley Authority, a corporation organized and existing under the laws of the United States of America ("**Lessee**").

WITNESSETH:

1. Lessor has agreed to furnish to Lessee, and Lessee has agreed to lease from Lessor eighty (80) FreightCar America Built Autoflood III Railcars bearing marks and numbers as follows:

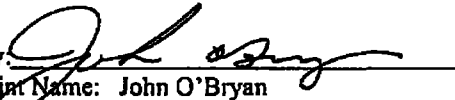
See Exhibit 1 attached hereto

2. The Lease Agreement shall be effective as of the date first set forth hereinabove and shall be subject to the lease term, as described in the Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their duly authorized representatives as of the date and year first above written.

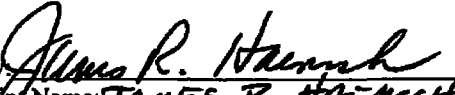
LESSOR:

MITSUI RAIL CAPITAL, LLC

By: 
Print Name: John O'Bryan
Title: President

LESSEE:

TENNESSEE VALLEY AUTHORITY

By: 
Print Name: JAMES R. HAENSCH
Title: Specialist, Fuels & Transportation



My Comm. Expires Jan. 23, 2013

STATE OF ILLINOIS

COUNTY OF COOK

On this 13th day of December, 2010, before me personally appeared John O'Bryan, to me personally known, who being by me duly sworn, says that he is the President of Mitsui Rail Capital, LLC that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

Christie C. Peterson
NOTARY PUBLIC

My commission expires: July 7, 2012



STATE OF TN

COUNTY OF HAMILTON

On this 1st day of December, 2010, before me personally appeared James R. Hines to me personally known, who being by me duly sworn, says that he is the S of F & T of Tennessee Valley Authority that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

Jon K. Denver
NOTARY PUBLIC

My commission expires:

1-23-2013

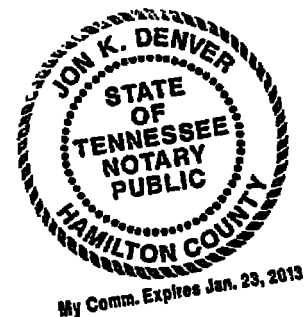


EXHIBIT 1
CAR MARKS AND NUMBERS

<u>Count</u>	<u>Mark</u>	<u>Number</u>	<u>Count</u>	<u>Mark</u>	<u>Number</u>	<u>Count</u>	<u>Mark</u>	<u>Number</u>
1	MBKX	4010	28	MBKX	4148	55	MBKX	4231
2	MBKX	4018	29	MBKX	4149	56	MBKX	4232
3	MBKX	4029	30	MBKX	4151	57	MBKX	4233
4	MBKX	4030	31	MBKX	4153	58	MBKX	4234
5	MBKX	4034	32	MBKX	4155	59	MBKX	4238
6	MBKX	4038	33	MBKX	4157	60	MBKX	4239
7	MBKX	4039	34	MBKX	4159	61	MBKX	452136
8	MBKX	4042	35	MBKX	4160	62	MBKX	452149
9	MBKX	4049	36	MBKX	4161	63	MBKX	452202
10	MBKX	4059	37	MBKX	4170	64	MBKX	452216
11	MBKX	4070	38	MBKX	4171	65	MBKX	452222
12	MBKX	4073	39	MBKX	4172	66	MBKX	452227
13	MBKX	4075	40	MBKX	4173	67	MBKX	452231
14	MBKX	4081	41	MBKX	4175	68	MBKX	452233
15	MBKX	4092	42	MBKX	4176	69	MBKX	452243
16	MBKX	4095	43	MBKX	4182	70	MBKX	452244
17	MBKX	4105	44	MBKX	4186	71	MBKX	452246
18	MBKX	4112	45	MBKX	4192	72	MBKX	452248
19	MBKX	4123	46	MBKX	4195	73	MBKX	452260
20	MBKX	4126	47	MBKX	4203	74	MBKX	452338
21	MBKX	4133	48	MBKX	4206	75	MBKX	452362
22	MBKX	4135	49	MBKX	4215	76	MBKX	452369
23	MBKX	4136	50	MBKX	4218	77	MBKX	452376
24	MBKX	4138	51	MBKX	4222	78	MBKX	452382
25	MBKX	4143	52	MBKX	4223	79	MBKX	452384
26	MBKX	4145	53	MBKX	4225	80	MBKX	452396
27	MBKX	4146	54	MBKX	4229			